



Department of Justice

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TUESDAY, JANUARY 5, 1999
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DEPARTMENT OF JUSTICE SUES DOMINANT MAKER OF FALSE TEETH FOR ANTI-COMPETITIVE PRACTICES

WASHINGTON, D.C.-- The Justice Department today sued the dominant manufacturer of false teeth in the U.S. for unlawfully maintaining its monopoly by restricting most of the nation's tooth distributors from selling products made by its competitors.

The suit, filed today in U.S. District Court in Delaware, alleges that Dentsply International Inc. enforced restrictive dealing arrangements that affected more than 80 percent of the nation's tooth distributors. Last month, the Justice Department advised Dentsply that it would challenge the restrictive arrangements.

"Dentsply tried to limit competition by depriving its rivals of effective distribution networks. In the process, its actions reduced competition and raised the prices of artificial teeth in the United States," said Joel I. Klein, Assistant Attorney General for the Antitrust Division. "Without Dentsply's anticompetitive acts, there would have been more competition in the artificial teeth market."

Dentsply sells some 70 percent of the artificial teeth used in the U.S., and has maintained that approximate market share for at least a decade.

Almost all prefabricated artificial teeth sold in the U.S. are used by dental laboratories to make dentures. Laboratories sell more than \$500 million in dentures annually to dentists,

ultimately reaching about 10 million consumers. Artificial teeth are the single most expensive component of a denture.

Independent dealers are the primary channel of distribution of artificial teeth to dental laboratories in the U.S. The complaint alleges that in 1987, after foreign competitors began attempting to build distribution networks in the U.S., Dentsply entered into agreements and other arrangements with independent dealers whereby the dealers, in most cases, could not add the new competing lines of false teeth. Since that time, Dentsply has refused to sell its teeth, as well as other popular dental laboratory products, to dealers who add any competitor's artificial tooth line.

Dentsply's control over local dealers and other conduct has achieved the intended result of depriving Dentsply's competitors—both domestic and foreign—of access to an adequate network of dealers and preventing them from competing effectively in the United States. Dentsply has similarly deterred other firms, both domestic and foreign, from entering the United States.

"Today's suit seeks to restore competition in the artificial teeth market so that consumers will receive lower-priced, higher quality dentures," added Klein.

Dentsply International is a Delaware corporation, with corporate headquarters in York, Pennsylvania.

In December, after the Justice Department indicated it would challenge its conduct, Dentsply asked a court to rule that its actions were legal. In addition to today's suit, the Department filed a motion seeking to dismiss Dentsply's December action.

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